

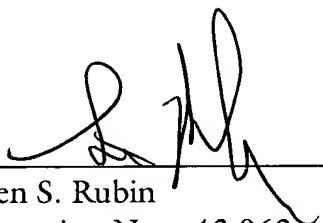
**REMARKS/ARGUMENT**

Claims 12, 14, 15, 18, 20, 23, 25, 26, 30, 32, 33, 35 and 36 are amended. The amendments to these claims are for clarification purposes only and are not intended to limit the scope of these claims in any way.

New claims 37-62 are added to more completely claim the invention. No new matter is added.

Respectfully submitted,

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**APPENDIX A**  
**Version With Markings To Show Changes Made**  
**37 C.F.R. § 1.121(b)(1)(iii) AND (c)(1)(ii)**

**SPECIFICATION:**

Paragraph at page 3, line 26 to page 4, line 2:

The invention aims to overcome this disadvantage by reducing the amount of credit that need be maintained in the anonymous trading system[.], and in its broadest form provides for the netting of trades between counterparties. Thus, if a party sells an amount to a counterparty and later buys from the counterparty, the available credit of each party with the other is decremented only by the difference between the trades or the net trade.

Paragraph at page 4, line 15 to page 4, line 21:

Embodiments of the invention have the advantage that the amount of credit that must be allocated specifically to an anonymous trading system by a bank may be reduced without reducing the dealing capacity. This means that more credit is available to the bank for allocation to other trading areas [as] and so the overall trading capacity can be increased without varying credit limits.

Please delete paragraph on page 6, line 32 to page 6, line 33.

Paragraph at page 8, line 20 to page 8, line 34:

Traders are typically grouped as part of a financial institution, such as a bank, which arranges traders as part of a trading floor. A trading floor is a group of traders under common control of a trading floor administrator who allocates credit lines for the trading floor against other trading floors. The market view for a trader, or group of traders, is the market information (price, volume, etc.) [That] that the traders can see that reflect the market. The market views are preferably pre-screened for credit compatibility, as described in WO/93/15467. Thus, traders only see displayed quotes with which they can trade. As

well as extending credit to a trading floor, credit may be extended to a bank as a whole (many banks have several trading floors [indifferent] in different locations), or to groups of trading floors.

Paragraph at page 24, line 31 to page 25, line 12:

Whichever of the global or local credit models is used it is undesirable and inflexible to tie up more credit in the electronic broking system than is absolutely necessary. The credit adjustment made in prior art systems on completion of a trade is completely independent of any other trading activities that has taken place. Thus, if bank A sells \$10M to bank B and then buys \$9M from bank B, both parties' credit will be drawn down by \$19M, the combined value of the two transaction. However, this is not a fair representation of the risk undertaken by [wither] either party as the net exposure is \$1M. This is undesirable as the main purpose of credit limits is to limit the exposure of a bank. However, in this example the exposure is far within the exposure the bank considers acceptable and the effect is to prevent the bank from trading up to a level of risk [is] it considers appropriate.

Paragraph at page 25, line 13 to page 25, line 21:

In an embodiment of the invention this problem is overcome by netting when adjusting utilised credit after deal execution. Under this arrangement the sense of the deal with a counterparty, that is whether it is a [but] buy or a sell is taken into account when adjusting utilised credit. This has the advantage of better reflecting the [time] true level of risk to which the bank is exposed and allows more trading to be undertaken within the confines of the set credit limits.

Paragraph at page 25, line 22 to page 25, line 30:

Within the trading system described, institutions may decide whether or not to net with other institutions. [This] Thus, a given institution may define netting credit groups. The trading system described may trade a number of different instruments, such as spot FX, FRA's etc. Netting may be on a per instrument basis or on a cross instrument basis. Where an institution defines netting as being on a cross instrument basis it may designate which instruments are to be included for netting calculation purposes.

Paragraph at page 27, line 10, to page 27, line 21:

Thus, the amount of credit used by bank A is the JPY exposure amount converted into USD, assuming that USD is the credit limit currency. If one were to assume a rate of  $\text{JPY/USD} = 118$  then the exposure is USD 10,593,220. Thus, each netted currency exposure is calculated for each value date and then converted into the credit limit base currency equivalent. If the exposure is negative, in which [cased] case Bank A owes the currency, then this is considered to be zero. [The] This is the case if there is no cross instrument netting. The positive credit limit currency equivalent amounts are added together and this is the total credit utilisation for that value date for that instrument.

Paragraph at page 28, line 18, to page 28, line 32:

The examples given above related only to netting by settlement date on a per instrument basis, explicitly addressing spot FX. Netting can be done cross instrument provided that the settlement date of the delivery of the currency is the same. The general rule of cross instrument netting by settlement date is the same as that for the per instrument example. Each netted currency exposure is calculated for each value date and is then converted into the credit limit currency equivalent. The [different] difference is that in addition to spot FX, other designated instruments are included in this calculation. If the exposure is negative, so that Bank A owes the currency, then the amount is considered to be zero. The positive credit limit currency equivalent amounts are added together and this is the total credit utilisation for that value date.